

Meeting Minutes

Drinking Water Advisory Group Monday, November 3, 2014

Location: Kent, WA with video conference to Shoreline, Spokane, and Tumwater
Time: 9:00 am – 12:30 pm

1. Clark Halvorson: **Welcome and emerging issues**

- Debrief this afternoon on the Mercer Island boil water advisory
- Satellite Management Agency (SMA) program review update
 - We are keeping the SMA program and looking at offering incentives.
 - Working to clearly define roles and responsibilities.
 - We'll ask for feedback from you on the program.

2. Joe Crossland – Department of Health: **Drinking Water State Revolving Fund (DWSRF) loan program**

- Discussion of proposed changes to the DWSRF program in the next three to four years.
- The program funds low interest capital loans.
- We are currently in the 18th year of this 20-year program.
- We propose the financial aspect of the program be moved from the Department of Commerce (Commerce) to the Office of Drinking Water.
 - We would continue coordination with Commerce to ensure we eliminate our duplication of effort.
 - Our goal is to be involved with you during the pre-construction process.
 - We want project managers to walk through your projects with you.
- Want to offer incentives for early project completion.
- Recently hired an engineer for the program to manage financial aspects.
 - He understands managing big projects and has background designing LOTT's asset management program.
 - Plan to eventually incorporate asset management into the DWSRF program.
- When we move toward an open funding cycle, we want money to be available until it is exhausted (year-long).

3. Joe Crossland & Scott Torpie – Department of Health: **Loans and Grants**

- Discussion of the differences between consolidation grants and consolidation loans.
- Consolidation loans:
 - Loans are subsidized at 50 percent (only have to pay back half of your total loan).
 - We are limited to providing consolidation loans because we use this money for subsidies.
 - Understand we need to move consolidation projects through the process faster.
 - Preconstruction grants are for small population water systems only.

- Preconstruction loans will also start in 2015.
 - These loans are for small to medium size systems.
 - We look to fund systems that can't fund projects on their own. Larger systems often have capital improvement programs – these loans/grants aren't geared to them.
- Projects that are often submitted for preconstruction funding:
 - Acquisition/easements
 - Environmental review
 - Cultural resources review
 - Permits
 - Bid documents
 - Pre-design
 - Final design
 - Feasibility studies
 - Purchase of land or right-of-way
- Consolidation grants:
 - The process for needs assessments will (hopefully) begin in April and has to be complete in November 2015.
 - In Washington, most small water systems are privately owned.
 - Over time, our goal is to have fewer water systems and water system components.
 - *Our direction:*
 - Continue to innovate.
 - Create viable, sustainable options for operators who are unable or unwilling to run water systems.
 - *Our goals:*
 - Show the benefits of consolidation to the state.
 - Be transparent while getting the most work complete using the least amount of resources.
 - Create a sustainable funding structure for consolidations.
 - Form and maintain partnerships.
- Preconstruction and consolidation loan examples:
 - Heard from four water systems that have been through, or are going through, the preconstruction or consolidation loan process, including:
 - Consolidation:
 - John Weidenfeller, Thurston County PUD
 - Steve Jilk, Whatcom County PUD (videoconference from Shoreline)
 - Mark Morgan, Kitsap PUD
 - Preconstruction:
 - Diane Lenius, City of Poulsbo

4. Clark: **Queuing up the next meeting**

- Our next meeting will be January 5, 2015.
- Want to schedule one or two meetings next year without video conference so we can all come together in one location.
- *Future topic ideas:*
 - Clarification about what is happening with the WFI (timeliness of reporting, etc.)
 - Proposed Ecology rules
 - What has come out of the rulemaking Lean process and how we might operate in the future.
 - Legislative – Invite folks from Ecology to join us.
 - Please send us an email if you have a topic you would like to hear about or discuss.

Next meeting:

- January 5, 2015
- Time – 9 a.m. – 12:30 p.m.